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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/931,123	08/16/2001	Gary S. Foster	03716-P0002C	3575
24126 7590 12/24/2008 ST. ONGE STEWARD JOHNSTON & REENS, LLC 986 BEDFORD STREET STAMFORD, CT 06905-5619				
			EXAMINER FELTEN, DANIEL S	
			ART UNIT 3696	PAPER NUMBER
			MAIL DATE 12/24/2008	DELIVERY MODE PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.



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**GROUP 3600**

**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Application Number: 09/931,123  
Filing Date: August 16, 2001  
Appellant(s): FOSTER ET AL.

\_\_\_\_\_  
Wesley W. Whitmyer, Jr.  
(Reg. No. 33, 558)  
For Appellant

**SUPPLEMENTAL EXAMINER'S ANSWER**

This is in response to the appeal brief filed 5/26/2006 appealing from the Office action mailed 4/20/2006.

**(1) Real Party in Interest**

A statement identifying by name the real party in interest is contained in the brief.

**(2) Related Appeals and Interferences**

The following are the related appeals, interferences, and judicial proceedings known to the examiner which may be related to, directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal:

Appellant previously filed an appeal to the Board of Patent Appeals and Interferences in the present case on July 30, 2004. In response thereto, the Examiner reopened prosecution and issued new rejections.

Subsequent thereto, Appellant filed a second appeal to the Board of Patent Appeals and Interferences in the present case on January 25, 2006. In response thereto, the Examiner reopened prosecution in an Office Action mailed April 20, 2006, in which the Examiner allowed some claims, indicated that some claims contained allowable subject matter, and maintained the rejection of some claims. The present (third) appeal is directed to those claims rejected in the Office Action mailed April 20, 2006.

Appellant has also filed an appeal to the Board of Patent Appeals and Interferences, on January 23, 2006, in U.S. Patent Application No. 09/931,123, filed on August 16, 2001. U.S. Patent Application No. 09/931,123 and the application which is the subject of the instant appeal are related in that they both claim priority to the same parent application, U.S. Patent Application No. 09/504,803, filed February 16, 2000, which parent application is still currently pending.

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**(3) Status of Claims**

The statement of the status of claims contained in the brief is correct.

**(4) Status of Amendments After Final**

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

**(5) Summary of Claimed Subject Matter**

The summary of claimed subject matter contained in the brief is correct.

**(6) Grounds of Rejection to be Reviewed on Appeal**

**NEW GROUND(S) OF REJECTION**

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 15-28 are rejected under 35 U.S.C. 101. Based on Supreme Court precedent and recent Federal Circuit decisions, the Office's guidance to examiners is that a § 101 process must (1) be tied to a machine or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. In *re Bilski et al*, 88 USPQ 2d 1385 CAFC (2008); *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876).

An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus, to qualify as a § 101 statutory process, the claim should positively recite the other statutory class (the thing or product) to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the

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subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

Here, applicant's method steps fail the first prong of the new Federal Circuit decision since they are not tied to a machine and can be performed without the use of a particular machine. Thus, claims 15-28 are non-statutory since they may be performed within the human mind.

The mere recitation of the machine in the preamble with an absence of a machine in the body of the claim fails to make the claim statutory under 35 USC 101. Note the Board of Patent Appeals Informative Opinion Ex parte Langemyer et al-  
[http://iplaw.bna.com/iplw/5000/split\\_display.adp?fedfid=10988734&vname=ippqcases2&wsn=500826000&searchid=6198805&doctypeid=1&type=court&mode=doc&split=0&scm=5000&pg=](http://iplaw.bna.com/iplw/5000/split_display.adp?fedfid=10988734&vname=ippqcases2&wsn=500826000&searchid=6198805&doctypeid=1&type=court&mode=doc&split=0&scm=5000&pg=0)

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### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1, 3, 4, 6-9 and 15-23 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hawkins et al (US 5,497,317) and Sandhu et al (US 6,347,307) in view of each other.

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Hawkins discloses a security trade settlement device, as in which has a computer 24 (see fig. 1, col. 4, 11. 19-24); trade execution information received by the computer database (see Abstract, col. 5, 11. 13+), said trade execution information indicative of an executed trade by a first trading party(see Abstract, col. 5, 11. 13+);

software executing on said computer for determining block level trade execution information based upon said trade execution information (see col. 6, 11.50 to col. 7, 11.50);

trade order information received by said computer, said trade order information indicative of an order trade by a second trading party (see Abstract, col. 5, 11. 13+; and col. 6, 11. 50 to col. 7, 11.50);

software executing on said computer for determining block level trade order information indicative of an order trade by a second trading party (see col. 6, 11.50 to col. 7, 11.50);

software executing on said computer for determining block level trade order information based upon said trade order information ; (see col. 6, 11.50 to col. 7, 11.50);

a set of predefined acceptable trade parameters(see Abstract, col. 5, 11. 13+; and col. 6, 11. 50 to col. 7, 11. 50) ; and

software executing on said computer for comparing the block level trade execution information with the block level trade execution information, and for determining that a match exists if the block level trade execution information and the block level trade order information correlate within the set of predefined acceptable trade parameters (see Abstract, col. 5, 11. 13+; and col. 6, 11. 50 to col. 7, 11. 50);

Sandhu discloses interactive servers that enable users to interactively trade and manage their portfolios (see col. 4, 11. 31+).

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an artisan of ordinary skill in the art at the time of the invention would have been motivated to substitute the interactive servers in Sandhu for the central database in Hawkins as an alternative communications link between the system and the users. One would also recognize the convenience of interactive servers being used for different purposes would increase the speed and efficiency of the transactions.

On the other hand, one of ordinary skill in the art at the time of Sandhu would have sought to provide a database with a plurality of delivery instructions to comply with the requirements that may be imposed to execute a transaction. Thus such a modification would have been an obvious expedient to one of ordinary skill in the art.

**(7) Claims Appendix**

The copy of the appealed claims contained in the Appendix to the brief is correct.

**(8) Evidence Relied Upon**

5,497,317	HAWKINS et al	3-1996
6,347,307	SANDHU et al	2-2002

**(9) Grounds of Rejection**

The following ground(s) of rejection are applicable to the appealed claims:

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1, 3, 4, 6-9 and 15-23 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hawkins et al (US 5,497,317) and Sandhu et al (US 6,347,307) in view of each other.

Hawkins discloses a security trade settlement device, as in which has a computer 24 (see fig. 1, col. 4, 11. 19-24); trade execution information received by the computer database (see Abstract, col. 5, 11. 13+), said trade execution information indicative of an executed trade by a first trading party(see Abstract, col. 5, 11. 13+);

software executing on said computer for determining block level trade execution information based upon said trade execution information (see col. 6, 11.50 to col. 7, 11.50);

trade order information received by said computer, said trade order information indicative of an order trade by a second trading party (see Abstract, col. 5, 11. 13+; and col. 6, 11. 50 to col. 7, 11.50);

software executing on said computer for determining block level trade order information indicative of an order trade by a second trading party (see col. 6, 11.50 to col. 7, 11.50);

software executing on said computer for determining block level trade order information based upon said trade order information ; (see col. 6, 11.50 to col. 7, 11.50);



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a set of predefined acceptable trade parameters(see Abstract, col. 5, 11. 13+; and col. 6, 11. 50 to col. 7, 11. 50) ; and

software executing on said computer for comparing the block level trade execution information with the block level trade execution information, and for determining that a match exists if the block level trade execution information and the block level trade order information correlate within the set of predefined acceptable trade parameters (see Abstract, col. 5, 11. 13+; and col. 6, 11. 50 to col. 7, 11. 50);

Sandhu discloses interactive servers that enable users to interactively trade and manage their portfolios (see col. 4, 11. 31+).

an artisan of ordinary skill in the art at the time of the invention would have been motivated to substitute the interactive servers in Sandhu for the central database in Hawkins as an alternative communications link between the system and the users. One would also recognize the convenience of interactive servers being used for different purposes would increase the speed and efficiency of the transactions.

On the other hand, one of ordinary skill in the art at the time of Sandhu would have sought to provide a database with a plurality of delivery instructions to comply with the requirements that may be imposed to execute a transaction. Thus such a modification would have been an obvious expedient to one of ordinary skill in the art.

**(10) Response to Argument**

The appellant's invention is concerned with a system for facilitating the processing and settlement of securities trades which reduces the time required for settlement, reduces the amount of information required to be input by the parties for each trade and reduces the number of human interactions in the settlement process.

Hawkins discloses a security trade settlement device, as in which has a computer 24 (see fig. 1, col. 4, 11. 19-24); trade execution information received by the computer database (see Abstract, col. 5, 11. 13+), said trade execution information indicative of an executed trade by a first trading party(see Abstract, col. 5, 11. 13+), software executing on said computer for determining block level trade execution information based upon said trade execution information (see col. 6, 11.50 to col. 7, 11.50), trade order information received by said computer, said trade order information indicative of an order trade by a second trading party (see Abstract, col. 5, 11. 13+; and col. 6, 11. 50 to col. 7, 11.50), software executing on said computer for determining block level trade order information indicative of an order trade by a second trading party (see col. 6, 11.50 to col. 7, 11.50), software executing on said computer for determining block level trade order information based upon said trade order information ; (see col. 6, 11.50 to col. 7, 11.50), a set of predefined acceptable trade parameters(see Abstract, col. 5, 11. 13+; and col. 6, 11. 50 to col. 7, 11. 50), and software executing on said computer for comparing the block level trade execution information with the block level trade execution information, and for determining that a match exists if the block level trade execution information and the block level trade order information correlate

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within the set of predefined acceptable trade parameters (see Abstract, col. 5, 11. 13+; and col. 6, 11. 50 to col. 7, 11. 50; and column 7, line 51 to column 8, line 2).

The appellant asserts that it is the block level trade execution information and the block trade order information which is compared to determine whether or not a match exists. It is being maintained that Hawkins, like the appellants invention, compares settlement information and determines if a match exists based upon information correlated within a set of predefined acceptable trade settlement parameters ( see column 6, line 59 to column 7, line 50; and particularly column 7, line 51 to column 8, line 2). Sandhu discloses a system and method for conducting web-based financial transactions in capital markets having interactive servers that enable users to interactively trade and manage their portfolios (see Sandhu Abstract; and col. 4, 11. 31+). It is being maintained that an artisan of ordinary skill in the art at the time of the invention would have been motivated to substitute the interactive servers in Sandhu for the central database in Hawkins as an alternative communications link between the system and the users and that one of ordinary skill in the art would recognize the convenience of interactive servers being used for different purposes would increase the speed and efficiency of the settlement transactions.

**(11) Related Proceeding(s) Appendix**

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

**(12) Conclusion to Examiner's Answer Raising New Grounds of Rejection**

For the above reasons, it is believed that the rejections should be sustained.

This examiner's answer contains a new ground of rejection set forth in section (6) above.

Accordingly, appellant must within **TWO MONTHS** from the date of this answer exercise one of the following two options to avoid sua sponte dismissal of the appeal as to the claims subject to the new ground of rejection:

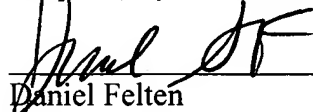
(1) **Reopen prosecution.** Request that prosecution be reopened before the primary examiner by filing a reply under 37 CFR 1.111 with or without amendment, affidavit or other evidence. Any amendment, affidavit or other evidence must be relevant to the new grounds of rejection. A request that complies with 37 CFR 41.39(b)(1) will be entered and considered. Any request that prosecution be reopened will be treated as a request to withdraw the appeal.

(2) **Maintain appeal.** Request that the appeal be maintained by filing a reply brief as set forth in 37 CFR 41.41. Such a reply brief must address each new ground of rejection as set forth in 37 CFR 41.37(c)(1)(vii) and should be in compliance with the other requirements of 37 CFR 41.37(c). If a reply brief filed pursuant to 37 CFR 41.39(b)(2) is accompanied by any amendment, affidavit or other evidence, it shall be treated as a request that prosecution be reopened before the primary examiner under 37 CFR 41.39(b)(1).

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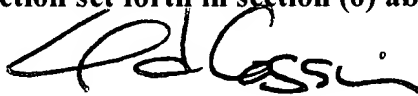
Extensions of time under 37 CFR 1.136(a) are not applicable to the **TWO** **MONTH** time period set forth above. See 37 CFR 1.136(b) for extensions of time to reply for patent applications and 37 CFR 1.550(c) for extensions of time to reply for ex parte reexamination proceedings.

Respectfully submitted,




Daniel Felten  
Primary Examiner  
Art Unit 3696  
Business Methods

**A Technology Center Director or designee must personally approve the new ground(s) of rejection set forth in section (6) above by signing below:**

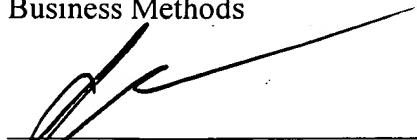


Wynn Coggins,  
Director  
TC 3600  
Business Methods

Conferees:



Thomas Dixon  
SPE, Art Unit 3696  
Business Methods



Vincent Millin  
Appeals Conference Specialist  
TC 3600  
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